

## Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 /092 W

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R 051720Z MAR 76

FM AMEMBASSY ROME

TO SECSTATE WASHDC 6191

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY PARIS

C O N F I D E N T I A L ROME 3701

E.O. 11652: XGDS-1

TAGS: ENRG

SUBJECT: MEETING OF NATIONAL OIL COMPANIES

1. PETROLEUM INDUSTRY PRESS CONTACT MARCH 4 TOLD EMBOFF THAT THE PRESIDENTS AND CHIEF ADVISORS OF THE NATIONAL OIL COMPANIES OF ITALY (ENO), FRANCE (ELF), BELGIUM (FINA) AND GERMANY (VEBA) WILL MEET ON MARCH 11 IN PARIS TO DISCUSS COMMON PROBLEMS ASSOCIATED WITH LINKAGE TO SINGLE-COUNTRY MARKETS AND SEEK COMMON ACTION DESIGNED TO IMPROVE COMPANY CONDITIONS. MAJOR PROBLEMS PERCEIVED BY COMPANIES ARE LOW PROFITS DERIVED FROM LACK OF PREFERENTIAL ACCESS TO CRUDE, GOVERNMENT CONTROLS AND LACK OF MARKETING BREADTH WHICH WOULD PERMIT BALANCING OF LOSSES IN ONE MARKET WITH PROFITS IN OTHERS.

2. MEETINGS, ACCORDING TO SOURCE, IS BEING HELD IN STRICTEST SECRECY BECAUSE COMPANIES DO NOT WISH TO ATTRACT ATTENTION OF MAJOR OIL COMPANIES. GOVERNMENTS REPORTEDLY APPROVE OF THE COMPANIES' INITIATIVE, ALTHOUGH INVITATION HAS BEEN  
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LIMITED TO "FRIENDLY" COMPANIES, POINTEDLY EXCLUDING BRITISH

AND DUTCH. SOLUTIONS TO BE DISCUSSED WOULD INCLUDE POSSIBILITY OF JOINT OPERATIONS AND/OR COOPERATION AT EUROPEAN OR AT LEAST EC-WIDE LEVEL.

3. COMMENT: ENI, AT LEAST, COULD GAIN SUBSTANTIALLY FROM ANY INITIATIVE HOLDING OUT CHANCE FOR INCREASED PARTICIPATION IN MARKETING OPERATIONS OUTSIDE ITALY. GOI DOMESTIC PRICE POLICY CONTRIBUTED SUBSTANTIALLY TO ENI LOSSES ON DOMESTIC OIL OPERATIONS ESTIMATED BY SOME OBSERVERS AT AS MUCH AS \$350 MILLION; MAJORS OPERATING IN ITALY HAVE REPORTED SUBSTANTIAL LOSSES ON ITALIAN OPERATIONS BUT CHALKED UP WORLD-WIDE PROFITS. NATURE OF JOINT MEASURES WHICH COULD BE TAKEN TO IMPROVE SITUATION OF ENI OR OTHERS IS NOT CLEAR BUT COULD BE OF SOME INTEREST. SOURCE HAS PROMISED TO REMAIN IN CONTACT. VOLPE

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
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**Disposition Approved on Date:**  
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**TAGS:** ENRG, IT, FR, BE, GE  
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